

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 7-8, 2006

Reference No.: 4.8  
Information Item

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Subject: **REVIEW OF THE RATE FOR STATE MATCHING OF FEDERAL AIRPORT  
IMPROVEMENT PROGRAM (AIP) GRANTS**

## **SUMMARY:**

The Federal Airport Improvement Program (AIP) provides public use, publicly owned airports with 95 percent federal grants for airport improvement and maintenance projects. The California Department of Transportation (Department) assists the airport sponsors with the local match.

The California Transportation Commission's (Commission's) Technical Advisory Committee on Aeronautics (TACA) will review the Department's proposal to establish the State match rate at 2.5 percent for Fiscal Year 2006-07 by teleconference on May 17, 2006, and staff will report on TACA's recommendation prior to bringing it to the Commission for final approval at the July 2006 meeting. Also, this proposal has been presented to the Association of California Airports (comprised of smaller general aviation airport managers) who expressed their support and concurrence. The Department will be notifying airport sponsors of the proposed State match rate change. The attached draft resolution will be presented to the Commission at the July 2006 meeting for adoption.

## **BACKGROUND:**

State law (Public Utilities Code Section 21683.1 (a)) states that the Commission may, at its discretion, provide a portion of the local match for federal AIP grants. The Department is proposing to reduce the State matching rate from 5 percent to 2.5 percent based upon recommendations from TACA and Commission staff. The Department's Legal Counsel has reviewed this proposal and deems that the Commission has the authority to provide the AIP match rate from zero to five percent.

By reducing the AIP match rate to 2.5 percent, funds will become available over the course of Fiscal Year 2006-07 to allow allocations for Acquisition and Development (A&D) projects for safety and pavement preservation. Without the lower AIP match rate, the Department will continue to have minimal funds to allocate for A&D projects.

The matching rate will be reviewed annually by the Commission in order to balance the needs of the State A&D Program and the level of anticipated AIP match funding levels.

**CALIFORNIA TRANSPORTATION COMMISSION**

**Adoption of the Annual Rate for State Matching  
of federal Airport Improvement Program (AIP) Grants  
for Fiscal Year 2006-07**

**Resolution G-06-\_\_\_\_**

- 1.1 WHEREAS, pursuant to Section 21683.1 (a) of the Public Utilities Code, the California Transportation Commission (Commission) may, at its discretion, provide a portion of the local match for federal Airport Improvement Program (AIP) grants; and
- 1.2 WHEREAS, a 2.5 percent matching rate enables the Department to provide the State match for airports; and
- 1.3 WHEREAS, the 2006-07 Aeronautics Allocation for set-aside to match AIP grants was submitted with a matching rate of 2.5 percent; and
- 1.4 WHEREAS, a 2.5 percent matching rate allows greater opportunity allocations for Acquisition and Development (A&D) grants.
- 2.1 NOW THEREFORE BE IT RESOLVED, that the Commission hereby establishes the State matching rate for Fiscal Year 2006-07 for federal AIP projects in the 2006 Aeronautics Program at 2.5 percent of an airport project federal grant.